

Amendment No. 1 to HB2430

White  
Signature of Sponsor

**AMEND Senate Bill No. 2315**

**House Bill No. 2430\***

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 2, Part 1, is amended by adding the following as a new section:

(a) As used in this section:

(1) "Bonded indebtedness" means bonds, notes, or other debt instruments with a term of not less than twenty (20) years issued by the county or county LEA, the proceeds of which were used to construct or renovate improvements to land;

(2) "Land" means the tract of real property upon which a school operated by a county LEA within the geographic boundaries of a municipal LEA is located, and all contiguous tracts of real property, if any, owned by the county or county LEA that are used for the operation of the school that are located within the geographic boundaries of the municipal LEA; and

(3) "Municipal LEA" means an LEA:

(A) Established by a municipality pursuant to § 49-2-127; and

(B) That serves each of the grades kindergarten through twelve

(K-12).

(b) A county LEA shall not operate a school within the geographic boundaries of a municipal LEA, except as authorized in this section.

(c) A county LEA and a municipal LEA may enter into a written agreement that authorizes the county LEA to operate a school within the geographic boundaries of the municipal LEA. A written agreement entered into pursuant to this subsection (c) must:

(1) Set the term of the agreement, which shall not exceed thirteen (13) years;

(2) Identify each grade level to be taught at each school that is to be operated by the county LEA pursuant to the agreement;

(3) Describe the geographic boundaries of each school zone that is to be operated by the county LEA pursuant to the agreement;

(4) Comply, as applicable, with title 12, chapter 9 and §§ 49-2-1001 and 49-2-1101; and

(5) Be authorized and approved by the county LEA's local board of education and the municipal LEA's local board of education, or, if the municipal LEA does not have a local board of education, the municipal legislative body.

(d) If a county LEA operates a school located within the geographic boundaries of a municipal LEA and the county LEA and municipal LEA do not enter into an agreement in accordance with subsection (c) before the beginning of the county LEA's next school year, or if an agreement in accordance with subsection (c) terminates or expires without renewal, then title to all real property and fixtures used by the county LEA for the operation of a school located within the geographic boundaries of the municipal LEA immediately vests to the municipal LEA by operation of law. The director of schools for the municipal LEA shall execute an affidavit evidencing transfer of title from the county LEA to the municipal LEA, or to the municipality in which the municipal LEA is located, pursuant to this section and shall cause the affidavit to be recorded with the office of the register of deeds for the county in which the property is located. The effective date of a transfer of title pursuant to this subsection (d) is the date on which the

municipal LEA's director of schools records the affidavit with the office of the register of deeds.

(e)

(1) A municipal LEA, or the municipality in which the municipal LEA is located, that receives title to all real property and fixtures pursuant to subsection (d) shall reimburse the county LEA for:

(A) The fair market value of the land transferred to the municipal LEA or the municipality in which the municipal LEA is located, excluding any improvements; and

(B) The principal amount of any outstanding bonded indebtedness for the construction or renovation of improvements to the land, as of the date on which title is transferred under subsection (d).

(2) Reimbursement pursuant to subdivision (e)(1) must be paid to the county LEA in fifteen (15) annual installments. The first installment is due one (1) year from the date on which title to all real property and fixtures was transferred to the municipal LEA, or to the municipality in which the municipal LEA is located, pursuant to subsection (d). All subsequent installments are due annually on that same date until the reimbursement obligation is satisfied.

(3) If the proceeds of any outstanding bonded indebtedness were used by the county or the county LEA to pay the costs of constructing or renovating improvements for more than one (1) property owned by the county or the county LEA, then the principal amount of the bonded indebtedness, for purposes of subdivision (e)(1)(B), must be prorated based on the proportion that the actual construction costs for the improvements or renovations to the land bear to the total construction costs of all improvements funded by the bonded indebtedness used to fund the improvements or renovations to the land.

(f) The land and any improvements acquired by the municipal LEA, or the municipality in which the municipal LEA is located, must be used for educational purposes. If the municipal LEA, or the municipality in which the municipal LEA is located, determines that it is in the community's best interest to sell the land or any improvements thereon during the twenty-year period beginning on the date on which the affidavit evidencing transfer of title is recorded with the office of the register of deeds, then one half (1/2) of the net proceeds must be divided equally between the municipal LEA, or the municipality in which the municipal LEA is located, as applicable, and the county LEA, less any payments made to the county LEA as provided in section (e).

SECTION 2. This act takes effect July 1, 2023, the public welfare requiring it.